

**Los Angeles County
Board of Supervisors**

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Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

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November 30, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO THE OPHTHALMOLOGY
PHOTOGRAPHY SERVICES AGREEMENT
(FIRST AND SECOND DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of an Amendment to extend the term of the Agreement for ophthalmology photography services at three Department of Health Services' facilities.

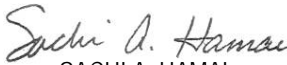
IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services (Interim Director), or his designee, to execute Amendment No. 9 to Agreement H-209084 with Richard Morrone, Inc. dba Bio-Graph, effective upon Board approval, to extend the term of the Agreement for the period of January 1, 2011 through December 31, 2011, for the continued provision of ophthalmology photography services at Harbor-UCLA Medical Center (H-UCLA MC), Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK MACC) and LAC+USC Medical Center (LAC+USC MC), with an annual maximum obligation of \$143,450.
2. Delegate authority to the Interim Director, or his designee, to execute an Amendment to increase the maximum obligation by no more than 25 percent above the maximum obligation for any unanticipated increase in services.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#21 NOVEMBER 30, 2010


SACHI A. HAMAI
EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Interim Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, to the Agreement with Bio-Graph to continue to obtain as-needed ophthalmology photography services at the three facilities. The current Agreement expires December 31, 2010. The Department of Health Services (DHS) previously advised your Board in December 2008, when the most recent extension was approved, that facility staff would analyze the usage of this Agreement and determine if contracting continues to be the most feasible and cost-effective solution. For H-UCLA MC and MLK MACC, contracting continues to be the most cost-effective since the services are only used on a part-time, intermittent basis and the contractor is compensated on a per-procedure basis. Due to the volume of patients, referrals from other facilities and the Hub clinic, LAC+USC MC uses the services on a full-time basis and the contractor is compensated on a per diem rate instead of a per-procedure basis. LAC+USC MC anticipates using \$95,450 of services during the extension period. Since usage of the services is increasing, DHS will conduct a solicitation during the extension period and return to your Board with a recommendation for a new agreement. Bio-Graph has not had a price increase since 2006 and would only agree to extend the Agreement through December 31, 2011 with a 15 percent price increase for the per diem rate at LAC+USC. The per-procedure rates at the other facilities remain unchanged.

Approval of the second recommendation will allow the Interim Director, or his designee, to execute Amendments to increase the maximum obligation, if necessary, to cover the need for any unexpected increase in the need for these services.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The annual maximum obligation for this Amendment is \$143,450, allocated by facility as follows: H-UCLA MC - \$38,000, MLK MACC - \$10,000, and LAC+USC MC - \$95,450. Funding is included in DHS' Fiscal Year 2010-2011 Final Budget and will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

These services have been contracted since 1987. A Request for Information was conducted in December 1997 and Bio-Graph was the only respondent and therefore was recommended for an Agreement. An Invitation for Bids was released in August 2006 and Bio-Graph and two other vendors expressed interest. Since no bids were received, DHS amended the Agreement with Bio-Graph to extend the term through December 2008. The trained and certified ophthalmic photographers obtained under this Agreement are an invaluable resource in patient care and facilitate the quality of care and efficient use of resources. The photographers perform a variety of imaging tests in order to aid the physicians in documenting and treating all forms of eye disease. The majority of duties involve patient care which includes not only the imaging test but also the assessment and monitoring of patients before, during, and immediately after intravenous injections needed to perform the tests. Eye diseases such as macular degeneration, diabetic retinopathy, blood vessel leaks and hematomas may be diagnosed as a result of the tests and photographs.

County Counsel has reviewed and approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will allow DHS to ensure ophthalmic photography services are provided as needed in support of patient care.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:ds

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

**AGREEMENT BY AND BETWEEN THE COUNTY OF LOS ANGELES AND
RICHARD MORRONE, INC. DBA BIO-GRAPH**
Amendment No. 9

This Amendment is made and entered into this _____ day of _____, 2010 by and between the COUNTY OF LOS ANGELES (hereafter "County"), and RICHARD MORRONE, INC. DBA BIO-GRAPH (hereafter "Contractor").

WHEREAS, on March 31, 1998, the County and Contractor, entered into Agreement No. H-209084 to provide Ophthalmology Photography Services at several Department of Health Services ("DHS") facilities; and

WHEREAS, on December 2, 2009, the Director exercised delegated authority as provided in Agreement Paragraph 1, TERM AND TERMINATION/MAXIMUM OBLIGATION, to approve Administrative Amendment No. 8 to extend the term of Agreement No. H-209084 through December 31, 2010; and

WHEREAS, it is the intent of the parties to extend the term of the Agreement and add the latest Board-approved provisions; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 24, ALTERATION OF TERMS, may be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective upon the date of Board approval.
2. This Agreement is hereby amended to delete Paragraph #1, TERM AND TERMINATION/MAXIMUM OBLIGATION, in its entirety and replace it as follows:
"1. TERM AND TERMINATION/MAXIMUM OBLIGATION: The term of this

Agreement shall be effective April 1, 1998 through December 31, 2011. This Agreement may be cancelled or terminated at any time by either party hereto upon the giving of at least thirty (30) days' written notice to the other party.

The annual maximum obligation for Contractor's services performed from January 1, 2011 through December 31, 2011 is \$143,450. The Director of Health Services, or his/her designee may increase the annual maximum obligation by no more than 25 percent (%) for additional services as required to assure the continued provision of patient care at the facilities."

3. This Agreement is hereby amended to delete Paragraph 23, DELEGATION AND ASSIGNMENT, in its entirety and replace it as follows:

"23. ASSIGNMENT AND DELEGATION

The Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this sub-paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring

the prior written consent of County in accordance with applicable provisions of this Agreement.

Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

3. This Agreement is hereby amended to delete Paragraph 35, CONSIDERATION OF GAIN PROGRAM PARTICIPANTS, in its entirety and replace it as follows:

"35. CONSIDERATION OF HIRING GAIN/GROW PROGRAM

PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

4. This Agreement is hereby amended to add Paragraphs 50, CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROERTY

TAX REDUCTION PROGRAM, and 51, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION, as follows:

“50. **CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles Code Chapter 2.206.

51. **TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 50 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.”

5. This Agreement is hereby amended to delete Paragraph 5, PAYMENT, of Exhibit A, Statement of Work, in its entirety and replace it as follows:

“5. PAYMENT

Subject to the Payment provisions of the body of the Agreement, County shall compensate Contractor as follows:

LAC+USC: \$375/day (inclusive of all procedures)

H-UCLA and MLK MACC:

6. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

/ /

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed in its behalf by its Director of Health Services and Contractor has caused this Amendment to be executed by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
John F. Schunhoff, Ph.D.
Interim Director of Health Services

CONTRACTOR

RICHARD MORRONE, INC. DBA
BIO-GRAPH

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL